

BALL JANIK LLP

A T T O R N E Y S

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September 8, 1998

RECORDATION NO. 21536-B FILED

SEP 8 '98 11-57AM

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, DC 20423

Dear Secretary Williams:

I have enclosed two originals of the first document described below and the original and a certified of the other two documents described below, all to be recorded pursuant to 49 U.S.C. § 11301.

The first document is a Memorandum of Lease Agreement, a secondary document, dated as of September 8, 1998. The primary document to which this is connected is recorded under Recordation No. 21536. We request that one copy of this document be recorded under Recordation No. 21536-B.

The names and addresses of the parties to the Memorandum of Lease Agreement are:

Lessor:

Banc One Leasing Corporation
1111 Polaris Parkway, Suite A3
Columbus, OH 43240

Lessees:

Huron and Eastern Railway Company, Inc.
Saginaw Valley Railway Company, Inc.
South Central Tennessee Railroad Corporation
Delaware Valley Railway Company, Inc.
Dakota Rail, Inc.
West Texas and Lubbock Railroad Company, Inc.
Cascade and Columbia River Railroad Company, Inc.
Otter Tail Valley Railroad Company, Inc.
Minnesota Northern Railroad, Inc.
St. Croix Valley Railroad Company, Inc.

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301 Yamato Road, Suite 1190
Boca Raton, FL 33431

A description of the equipment covered by the Memorandum of Lease Agreement consists of six GP-38 locomotives numbered NS 2793 and NS 2811, and HESR 201, 202, 203, and 204; one GP-9 locomotive numbered SCTR (HESR) 103; and two GP-10 locomotives numbered MNR 1001 and 1002.

The second document is a Bill of Sale, a secondary document, dated as of September 2, 1998. The primary document to which this is connected is recorded under Recordation No. 21536. We request that one copy of this document be recorded under Recordation No. 21536-C.

The name and address of the party to the Bill of Sale is:

Seller:

Huron and Eastern Railway Company, Inc.
301 Yamato Road, Suite 1190
Boca Raton, FL 33431

A description of the equipment covered by the Bill of Sale consists of four GP-38 locomotives numbered HESR 201, 202, 203, and 204; and one GP-9 locomotive numbered SCTR (HESR) 103.

The third document is a Bill of Sale, a secondary document, dated as of September 2, 1998. The primary document to which this is connected is recorded under Recordation No. 21536. We request that one copy of this document be recorded under Recordation No. 21536-D.

The name and address of the party to the Bill of Sale is:

Seller:

Minnesota Northern Railroad, Inc.
301 Yamato Road, Suite 1190
Boca Raton, FL 33431

A description of the equipment covered by the Bill of Sale consists of one GP-10 locomotive numbered MNR 101.

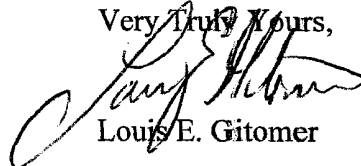
A fee of \$78.00 is enclosed. Please return one original of each document to:

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Louis E. Gitomer
Of Counsel
Ball Janik LLP
Suite 225
1455 F Street, N.W.
Washington, DC 20005

A short summary of the documents to appear in the index follows: (1) Memorandum of Lease Agreement between Banc One Leasing Corporation, 1111 Polaris Parkway, Suite A3, Columbus, OH 43240, and Huron and Eastern Railway Company, Inc., Saginaw Valley Railway Company, Inc., South Central Tennessee Railroad Corporation, Delaware Valley Railway Company, Inc., Dakota Rail, Inc., West Texas and Lubbock Railroad Company, Inc., Cascade and Columbia River Railroad Company, Inc., Otter Tail Valley Railroad Company, Inc., Minnesota Northern Railroad, Inc., and St. Croix Valley Railroad Company, Inc., 301 Yamato Road, Suite 1190, Boca Raton, FL 33431, covering six GP-38 locomotives numbered NS 2793 and NS 2811, and HESR 201, 202, 203, and 204; one GP-9 locomotive numbered SCTR (HESR) 103; and two GP-10 locomotives numbered MNR 1001 and 1002; (2) Bill of Sale by Huron and Eastern Railway Company, Inc., 301 Yamato Road, Suite 1190, Boca Raton, FL 33431, covering four GP-38 locomotives numbered HESR 201, 202, 203, and 204; and one GP-9 locomotive numbered SCTR (HESR) 103; and (3) a Bill of Sale by Minnesota Northern Railroad, Inc., 301 Yamato Road, Suite 1190, Boca Raton, FL 33431, covering one GP-10 locomotive numbered MNR 101.

Very Truly Yours,



Louis E. Gitomer

Enclosures

RECORDATION NO. 21536-C FILED
SEP 8 '98 11-57AM

BILL OF SALE

For good and valuable consideration, the receipt of which is acknowledged, Huron and Eastern Railway Company, Inc., ("Seller") hereby sells, assigns and transfers to Banc One Leasing Corporation, ("Buyer") all of its right, title and interest to the five locomotives ("Equipment") described below:

Type	Unit Number
GP-9	103
GP-38	201
GP-38	202
GP-38	203
GP-38	204

Seller represents and warrants to Buyer and its successors and assigns that Seller is the absolute owner of the Equipment; that the Equipment is free and clear of all liens and encumbrances, conditional sales contracts, leases or rental contracts of any nature and that Seller has full right, power, title and corporate authority to execute this Bill of Sale. Seller shall defend, indemnify and hold Buyer, its successors and assigns from and against any claims of others with respect to the Equipment or otherwise arising from Seller's breach of its representations and warranties.

In witness whereof, Seller has caused this Bill of Sale to be signed and sealed in its name as of this 2nd day of September, 1998.

Seller:

Huron and Eastern Railway Company, Inc.

By: Lang W Bush
Title: V.P. + Controller

RECORD 21536-C

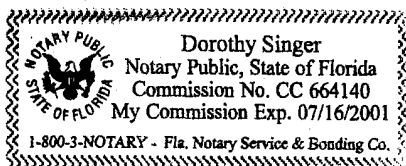
Corporate Form of Acknowledgement
Pursuant to 49 CFR Sec. 1177.3

State of Florida)
)
County of Palm Beach)

On this 2nd day of September, 1998, before me personally appeared Larry W. Bush, to me personally known, who being by me duly sworn, say that he is the Vice President and Controller of Huron and Eastern Railway Company, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

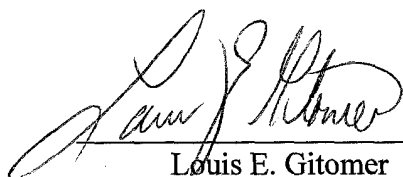

Signature of Notary Public

My commission expires:
07-16-2001



CERTIFICATION

I, LOUIS E. GITOMER, have compared this copy to the original Bill of Sale dated September 2, 1998, and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in black ink, appearing to read "Louis E. Gitomer", is written over a horizontal line.

Louis E. Gitomer
September 8, 1998